

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:2971
ANSWERED ON:11.08.2010
OPEN BIDDING OF COAL BLOCKS
Naranbhai Shri Kachhadia

Will the Minister of COAL be pleased to state:

- (a) whether it is a fact that coal industry is moving towards a big reform and is readying to usher-in an open bidding regime;
- (b) if so, the details thereof;
- (c) whether the Government is likely to bring a legislation for appointment of a Regulator to open up coal mining to private players without restriction of captive end use; and
- (d) if so, the details in this regard?

Answer

MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF COAL AND MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF STATISTICS & PROGRAMME IMPLEMENTATION (SHRI SRIPRAKASH JAISWAL)

(a) & (b): With a view to bringing in greater transparency and objectivity in the process of allocation of coal blocks, the Mines and Minerals (Development and Regulation) Amendment Bill, 2008 which was introduced in the Rajya Sabha on 17.10.2008, seeks to adopt auctioning of coal and lignite blocks for captive use through competitive bidding as the selection process in lieu of dispensation through the Screening Committee route.

(c) & (d): Government proposes to set up an independent regulator for coal sector, which would require appropriate legislation to be passed by the Parliament. Appointment of an independent regulator for coal sector would result in more optimal development and conservation of coal resources, more effective regulation, adoption of best mining practices, rational pricing, better distribution, evolution of a more competitive market and would also help in creating a level playing field for new entrants in the coal sector.

The Central Government also decided to amend the Coal Mines (Nationalization) Act, 1973, to allow Indian companies, both in the public and private sector, to mine coal in the country without the existing restriction of captive mining and to be engaged in exploration of coal in the country. Accordingly a Bill, namely the Coal Mines (Nationalization) Amendment Bill, 2000, was introduced in the Rajya Sabha on 24.04.2000. The Bill was referred to the Standing Committee, which has already submitted its report. Due to concerns voiced by the trade unions, the Bill could not be moved in the Parliament so far.

Now the Government has constituted a new Group of Ministers (GOM) in August, 2009, to examine the matter further.